

052215

March 26, 1981

Mr. R.V. Kirkham
The Geological Survey of Canada
601 Booth Street
Ottawa, Ontario
K1A 0E8

Dear Mr. Kirkham:

I must apologize for the delay in forwarding the information requested in your letter of November 18, 1980, especially when I note that your first letter to John White was written in July.

We do not have all of the requested information in the form which you requested. However, we will supply as much information as possible.

You have requested molybdenum grades in the orebodies at Granisle, Bell and Morrison.

The molybdenum content of the Bell orebody is very low, probably less than 0.01% Mo. Very little molybdenite was visible in the drill cores and assaying for molybdenum was not carried out in a majority of the samples. At December 31, 1980 the Bell ore reserves were estimated to be 53,425,000 tons grading 0.51% Cu.

The molybdenite mineralization is erratic in the Granisle deposit. Recovery of molybdenum is now commencing from those areas of the pit where higher grades are encountered. An overall grade for the deposit has been calculated but again there is insufficient data to classify the molybdenum grade with the same confidence level as the copper grade. At December 31, 1980 the Granisle ore reserves were estimated at 34,732,000 tons grading 0.41% Cu. and 0.004% Mo.

The Morrison deposit is estimated to contain 0.012% Mo., and the size of the deposit is approximately 70,000,000 tons.

The estimates for Boss Mountain are somewhat different in that while we have an official ore reserve of 7.4 million tons grading 0.13% Mo., we also have sub-economic material. The best estimate we can supply of this material is 63.4 ± 10 million tons with an approximate grade of 0.06% Mo.

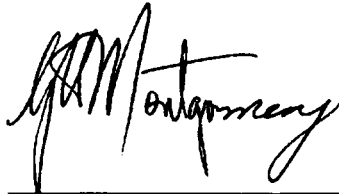
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I am arranging to have a sample of molybdenum concentrate from Granisle sent to you as requested. I note that you did not request a sample from Boss and I wonder if this was an oversight. If so please let me know and a sample can be forwarded.

Again I regret the long delay in providing this information.

Yours sincerely,

NORANDA MINES LIMITED

A handwritten signature in black ink, appearing to read "G.H. Montgomery". The signature is written in a cursive style with a horizontal line underneath it.

G.H. Montgomery
Vice President Mines - B.C.

GHM/mm